
Charter

Enterprise System for Grants, Contracts & Loans Management

Project Statement

An Enterprise System for Grants, Contracts and Loans Management will be analyzed, designed, and implemented as approved and funded. This charter records the commitment of the listed parties to:

- Participate in a business process redesign as part of the Washington State Roadmap's objective to improve work practices,
- Analyze and design an enterprise system through a Feasibility Study and Risk Assessment, and to use the Roadmap as guidance in that design, and
- Implement a first phase in the 2005-2007 biennium as funded by the approval of a supplemental budget Decision Package, or as otherwise determined by available funding.

It is understood that current, priority business needs will be addressed and that the Washington State Roadmap will be used for guidance in designing the enterprise system.

The enterprise system will ultimately consist of: (1) core, statewide functions, with those operations administered and funded through OFM; and (2) agency-unique functions to be coordinated with the enterprise system but administered and funded by each using agency. Both core functions and agency-unique functions must be addressed in order for this project to be considered a success.

Business Drivers/Background

The Department of Ecology has an urgent need to replace its aged Contracts & Grants Management System. An enterprise system is also mission-critical to CTED that distributes 93% of its annual budget through grants, contracts, loans and other agreements. CTED distributes over \$1.2 billion in new and existing contracts and loans through manual procedures and spreadsheets and seeks improved business practices and information systems.

Monies spent toward such systems provide a unique opportunity to address not only Ecology's and CTED's needs but also achieve:

- Avoidance of duplicative systems costs among agencies. An enterprise Decision Package is \$1 million less than the two decision packages originally proposed by Ecology and CTED.
- Improved monitoring of projects. Agencies with programs for environmental quality could share project information, as recommended in the 2001 report by the Joint Legislative Audit and Review Committee, "Investing in the Environment: Environmental Quality Grant & Loan Programs Performance Audit."
- Improved management of many types of contracts and of loans.
- Automated fiscal processes to achieve efficiencies in the payment, receipt and accounting for funds.
- Electronic access to those applying for grants, requesting payments, or seeking information.

Issues require a statewide solution

Several hundred million dollars are distributed each biennium by agencies to communities and local organizations through grants, contracts and loans. Currently, there are issues such as:

- At the state level, decision makers seek improved information that crosses the state, to direct the state's efforts. Ideally, the statewide information would be available on-line, consistent in content, and flexible in detail. Currently, information must be requested from each agency, dependent upon each agency's capabilities. Agencies are not consistently automated and reporting is often done manually.

- At the state and agency levels, executives seek greater effectiveness in the administration of the monies. An enterprise system automates the processes that agencies share in common and automates the collection of data. The cost of duplicative systems among agencies is avoided. For those agencies without available funds for automating on their own, a system becomes available.
- At the state and agency levels, executives also demand accountability for use of public monies. Automated tools will be designed to reduce errors and improve daily oversight of the accounts.
- At the program level, staff and clients seek on-line access to information and automated tools to help them do their work. Clients seek the convenience of applying for grants, submitting progress reports, and requesting payment on-line.

The Proposed System Will Be a *Roadmap* Business Initiative

The *Roadmap* is a multi-year effort to improve and integrate the state's financial and administrative processes and information systems. As a *Roadmap* business initiative, this Enterprise Grants, Contracts & Loans Management System will be an early adopter of three key *Roadmap* approaches:

1. Business process transformation. Business process modeling techniques will be used to identify the business value and payback that can be achieved through statewide adoption of best business practices, policy improvements, and enterprise data standards.
2. Integration architecture. The system will adhere to the principles, policies and standards adopted by the *Roadmap* Integration Architecture Steering Committee, designed to allow the state to implement the *Roadmap* incrementally, with confidence that new components will fit with current systems, and will accommodate agency-unique extensions where necessary.
3. Performance measurement. *Roadmap* business initiatives provide the opportunity to apply Government Management Accountability and Performance principles to the state's "back office" business processes. Specific performance indicators for measuring the value expected to result from implementation of the system will be identified during the business modeling.

Vision

Representatives from CTED, OFM and the Departments of Ecology and Information Services identified a Vision in which a future enterprise system:

- Supports business programs to make better decisions with more complete data.
- Supports the accomplishment of measurable results by providing tools for those doing the work and data for reviewers and policy makers.
- Provides consistency in the content of contracts and consistency with each contractor.
- Supports administrators in knowing an agency's and the state's total commitments.
- Improves the state's ability to serve customers through such services as electronic payment, tracking of submittals, and single portals for application.
- Eliminates shadow systems because employees recognize what processes we share and therefore do not perpetuate so many processes as unique.
- Improves disaster recovery and system/data backup as an enterprise system.
- Reduces effort through electronic creation of documents, eliminating duplicative data entry and providing on-line sharing of data and approvals.
- Supports the Roadmap objectives of business process transformation, an integrated architecture that allows new components to fit with current systems and accommodates agency-unique extensions where necessary, and supports measurement of the value of significant business process change.

Goals Statement for Work During the 2005-2007 Biennium

This charter encompasses work to identify the components of an enterprise system and the steps to implement a first phase of the enterprise system in the 2005-2007 biennium.

Goals for this biennium's work include:

1. Business Process Redesign: Identify an improved business process to share in common.
2. Feasibility Phase: Identify alternatives for an enterprise system and select the one that provides the most benefit to Washington State. Identify the first phase implementation for this biennium.
3. First Phase Implementation: Implement the first phase of the alternative chosen in the Feasibility Phase.

Objectives

At the end of the Business Process Redesign, we will have:

- Developed the value proposition for process changes that will result from the new product.
- Identified metrics for the implementation phase.
- Established the high-level, long-range vision for efficient and effective financial management of the state's grant, contract, and loan programs.

At the end of the Feasibility Phase of the project, we will have:

- Identified a set of alternatives that can meet requirements.
- Considered a recommendation for the best alternative, considering the fit with the requirements and implementation and maintenance costs.
- Worked with the Roadmap project team to bring into consideration recommendations and requirements from the Enterprise Business Modeling and the Integration Architecture activities.
- Established a plan for implementing the best alternative in logical phases.
- Updated this project charter and added project metrics and project staff for the Implementation Phase.
- Accomplished a design that allows the state to implement the *Roadmap* incrementally, with confidence that new components will fit with current systems, and will accommodate agency-unique extensions where necessary.

At the end of the Implementation Phase(s) of the project we will have:

- A functioning first phase of the enterprise system.
- A system that is technically advanced in terms of performance, scalability, and deployment.
- Flexibility to interface with a variety of financial systems.
- A system that follows the DIS Accessibility Guidelines for access by individuals with disabilities.
- Coordinated work with the Roadmap project team to bring into consideration recommendations and requirements from their activities.

Scope

The enterprise system will include:

- For Grants Management, the functions of applying for grants, evaluating and awarding grants, daily grants/project management, payments, closures, and reporting/queries.
- For Contracts Management, the functions of documenting and establishing contracts, daily contracts management, payments, closures, and reporting/queries.
- For Loans Management, the functions of accounts payable for loans (It is expected that other systems will address the other functions of loans management.)

The priority for work in the 2005-2007 biennium is the portion of functions currently performed by Department of Ecology's Contracts & Grants Management System. A general description is the work from the establishment of a contract or grant, monitoring of the contracts and grants, and payment of contracts, grants and also loans. For loans, this portion of the functions is referred to as the accounts payable activity for loans through an agency's fiscal office.

The enterprise system will ultimately consist of: (1) core, statewide functions, with those operations administered and funded through OFM; and (2) agency-unique functions to be coordinated with the enterprise system but administered and funded by each user agency. Both core functions and agency-unique functions must be addressed in order for this project to be considered a success.

Schedule

- Business Process Redesign: November-December 2005
- Feasibility Phase: January 2006–March 2006
- Implementation of First Phase: March 2006 through June 2007.

Assumptions:

- We will be able to gain enough information about all the alternatives to make an informed decision in this timeframe.
- We are not going to lose our current staffing level.
- The Roadmap Business Process Modeling effort will help us develop requirements and value metrics to help measure the value of business process improvements.
- The core system will accommodate interfaces with systems that are internal and external to OFM.

Constraints:

There is no current available budget for an acquisition or other implementation. Acting upon a selected alternative is dependent upon approval of a budget Decision Package.

Performance Measures/Outcomes

- Complete the deliverables and gain acceptance from the Business Manager, Sponsor, and Steering Committee.
- Complete the Feasibility Phase on schedule.
- Identify metrics for the implementation phase. Develop the value proposition for process changes that will result from the new product.

Funding Resources

The cost of consultants for the Business Process Redesign in November and December 2005 will be funded by OFM.

The cost of consultants to conduct the Feasibility Study from January through March 2006 will be funded by CTED and Ecology.

Additional funds for a first phase implementation will be provided by a budget Decision Package, as approved.

Acceptance

We, the undersigned project members, approve this Charter and agree to support this project.

Signature and Date	
<p style="text-align: right;">12-9-2005</p> <p>Sadie Rodriguez Hawkins, Asst. Director, Accounting Division, OFM <i>Sponsor: As an executive of the lead agency, is responsible for the overall project delivery. Responsibilities include managing the project, administering with the guidance of an executive steering committee, monitoring project performance, and seeking and distributing project funding and resources.</i></p>	
<p style="text-align: right;">12-9-2005</p> <p>Polly Zehm, Deputy Director, Dept. of Ecology <i>Executive Steering Committee Member: Reviews and accepts the Project Charter. Helps the project team stay true to the vision, scope and objectives. Finds resolution for business process issues. Assigns internal resources as required by the project.</i></p>	
<p style="text-align: right;">12-9-2005</p> <p>Sue Mauermann, Deputy Director, CTED <i>Executive Steering Committee Member: Reviews and accepts the Project Charter. Helps the project team stay true to the vision, scope and objectives. Finds resolution for business process issues. Assigns internal resources as required by the project.</i></p>	
<p style="text-align: right;">12-9-2005</p> <p>David Koch, ISB Oversight Consultant, Dept. of Information Services <i>Executive Steering Committee Member, Nonvoting: Reviews and accepts the Project Charter. Helps the project team stay true to the vision, scope and objectives. Finds resolution for business process issues. Informs Deputy Director of status.</i></p>	
<p style="text-align: right;">12-9-2005</p> <p>Allen Schmidt, Interim Statewide Financial Systems Manager, OFM <i>Project Business Manager: Directly oversees the project manager. Manages the enterprise application environment in which ESGCLM resides. Resource provider for the project.</i></p>	
<p style="text-align: right;">12-9-2005</p> <p>Sharon Novak, Interim Project Manager, OFM <i>Project Manager: Project leader, facilitator, and coordinator</i></p>	
<p style="text-align: right;">12-9-2005</p> <p>Susan Dodson, Roadmap Liaison, OFM <i>Roadmap Liaison: Consultant from the Roadmap project who will bring in recommendations and requirements from the Enterprise Business Modeling, the Integration Architecture, and other activities.</i></p>	

Gary Zeiler, Fiscal Manager, Dept. of Ecology	12-9-2005
<i>User Group, Primary Member: Attends work sessions and work on requirements analysis and issues, analyze alternatives, and review project proposals and deliverables. Informs Deputy Director of status.</i>	
Debbie Stewart, Enterprise Applications Manager, Dept. of Ecology	12-9-2005
<i>User Group, Primary Member: Attends work sessions and work on requirements analysis and issues, analyze alternatives, and review project proposals and deliverables. Informs Deputy Director of status.</i>	
Kreighan McAuliffe, Internal Project Manager, Dept. of Ecology	12-9-2005
<i>User Group, Primary Member: Attends work sessions and work on requirements analysis and issues, analyze alternatives, and review project proposals and deliverables. Informs Deputy Director of status.</i>	
Del Hontanosas, Contracts Mgmt. Specialist, CTED	12-9-2005
<i>User Group, Primary Member: Attends work sessions and work on requirements analysis and issues, analyze alternatives, and review project proposals and deliverables. Informs Deputy Director of status.</i>	
John Hanson, Enterprise Architect, CTED	12-9-2005
<i>User Group, Primary Member: Attends work sessions and work on requirements analysis and issues, analyze alternatives, and review project proposals and deliverables. Informs Deputy Director of status.</i>	

Revision History

<u>Revision</u>	<u>Date</u>	<u>Author</u>	<u>Description of change</u>
1.0	10/15/05	Meredith	First Draft
1.1	10/21/05	Meredith	Second Draft
1.3	10/31/05	Meredith	Final Draft
1.4	11/18/2005	Meredith	Final
1.5	12/9/2005	Meredith	Updated Charter members before signing

Appendix A

Resource Usage Projection, November 2005 through March 2006

The following estimates cover the period of November 2005 through March 2006. By the end of March 2006, a Feasibility Study will be completed and a decision made on how to proceed. These projections will then be extended to support an approved implementation plan. The resources are identified by agency. All resources until March 2006 are provided under current funding, in addition to the submitted Decision Package.

Staff Time Resources	Tl. Hrs. Nov 05 – March 06			
	CTED	ECY	OFM	DIS
1. Executive Steering Committee				
a. Meet once every two months (4 mtngs X 2 hrs)	8	8	16	8
2. User Group, Primary Members				
a. Meet monthly (5 mtngs X 2 hrs)	10	10	20	10
3. Business Process Redesign (40 hrs. each over 2 mo.)				
a. OFM Project Manager			40	
b. OFM Roadmap staff (40 hrs. each)			80	
c. OFM System Business Manager			40	
d. Agencies' User Group primary members (40 hrs each)	120	80		40
e. Agencies' participants from business programs (40 hrs ea)	120	120		
4. Feasibility Study (time over 2 months)				
a. Acquire consultant (discuss SOW, distribute, award)	2	2	40	2
b. Monitor contract; provide information	4	4	40	4
5. Implement approved alternative (TBD in March 2006)	TBD	TBD	TBD	TBD